

1) The value of our exports nearly tripled during that time, going from \$5.4 billion to \$14.9 billion - this represents an average annual increase in excess of 10 per cent, one of the best-sustained rates of growth in modern times. Few people, even in our own country, realize that, with our population of 20 million, we rank sixth among the world's trading nations.

2) The direction has changed also significantly, and continues to do so. Exports to the U.S.A., by far our most important customer, more than tripled during the last decade (\$3.03 billion to \$10.6 billion). In 1960, that represented 57 per cent of our total exports; last year's corresponding figure is equal to 71 per cent.

These results carry with them some attenuating side effects. Our economy has grown more dependent on the U.S. market and consequently more vulnerable to its fluctuations.

Automobiles and parts, as a result mainly of the Auto Pact, now account for close to one-third of our total shipments to the United States. Newsprint accounts for another 9 to 10 per cent. The levelling-off in growth of the U.S. economy, combined with the slump in auto sales earlier this year, leads us to greater caution in trying to predict a growth-rate for 1970. It is expected to be below the 8 to 9 percent increase of 1969. For the first three months of this year, it was, in fact, only 6.4 per cent.

Britain, our second most important export market, has dropped off considerably in its overall relative importance to us. In 1960, Britain took 17.2 per cent of our total exports, while last year its share fell to only 7.5 per cent. This can be explained partly by Britain's recent economic policies aimed mainly at strengthening its currency and redressing its economy but also, to some extent, by its progressive preparation for economic integration with continental Europe.

The EEC, with a total population of 321 million and a combined gross national product of \$530 billion (compared to the U.S. GNP of \$756 billion), represents a large and growing market for Canada. Our exports to the Community have nearly doubled during the last decade, going from \$438 million to \$851 million, but the general feeling is that we could and must do much better. At the moment, our share of the EEC import market remains not only relatively low but, as a percentage of total imports, it actually dropped between 1961 and 1967 (1.9 and 1.22, respectively).

Japan is another market that is growing very rapidly and becoming increasingly important to us. At \$624.8 million in 1969, our exports to that country were 3.5 times greater than in 1960. But the proportion of manufactured goods is low. Our imports last year from Japan amounted to nearly half a billion dollars. Over 95 per cent of these imports were either partially or highly manufactured goods. This compares with roughly 35 per cent for our own exports. We should be able to do better here also.